

AMENDED IN SENATE AUGUST 16, 1999

AMENDED IN SENATE JUNE 21, 1999

AMENDED IN ASSEMBLY APRIL 5, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 1636**

**Introduced by Assembly Member Knox**

*(Coauthor: Senator McPherson)*

March 3, 1999

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An act to amend Sections ~~20543~~ 20542, 20543, and 20544 of the Revenue and Taxation Code, relating to taxation.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1636, as amended, Knox. Seniors' tax assistance: full value: property tax equivalent.

The Gonsalves-Deukmejian-Petris Senior Citizens Property Tax Assistance Law provides for payment of assistance by the Franchise Tax Board to claimants, whether those claimants own or rent their residence, in accordance with schedules that reduce the amount of assistance provided as the amount of a claimant's household income increases along a specified scale of household income amounts. The amount of assistance for a claimant owning his or her residential dwelling is a specified percentage, based on household income, of tax on the first \$34,000 of full value. The amount of assistance for a claimant renting his or her residence is a specified percentage, based on household income, of the statutory property tax equivalent of \$250.

This bill would increase the \$34,000 amount to \$37,400, and would increase the statutory property tax equivalent amount to \$275.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. *Section 20542 of the Revenue and*  
2 *Taxation Code is amended to read:*

3 20542. (a) The Franchise Tax Board, pursuant to the  
4 provisions of Article 3 (commencing with Section 20561),  
5 of this chapter, shall provide assistance to the claimant  
6 based on a percentage of the property tax accrued and  
7 paid by the claimant on the residential dwelling as  
8 provided in Section 20543 or the statutory property tax  
9 equivalent pursuant to Section 20544. In case of an  
10 owner-claimant, the assistance shall be equal to the  
11 applicable percentage of property taxes paid on the full  
12 value of the residential dwelling up to, and including,  
13 ~~thirty-four thousand dollars (\$34,000)~~ *thirty-seven*  
14 *thousand four hundred dollars (\$37,400)*. No assistance  
15 shall be allowed for property taxes paid on that portion of  
16 full value of a residential dwelling exceeding ~~thirty-four~~  
17 ~~thousand dollars (\$34,000)~~ *thirty-seven thousand four*  
18 *hundred dollars (\$37,400)*. No assistance shall be provided  
19 if the amount of the assistance claim is five dollars (\$5) or  
20 less.

21 (b) For purposes of allowing assistance provided for by  
22 this section:

23 (1) (A) Only one owner-claimant from one  
24 household each year shall be entitled to assistance under  
25 this chapter. When two or more individuals of a  
26 household are able to meet the qualifications for an  
27 owner-claimant, they may determine who the  
28 owner-claimant shall be. If they are unable to agree, the  
29 matter shall be referred to the Franchise Tax Board and  
30 its decision shall be final.

31 (B) When two or more individuals pay rent for the  
32 same premises and each individual meets the

1 qualifications for a renter-claimant, each qualified  
2 individual shall be entitled to assistance under this part.

3 For the purposes of this subparagraph, a husband and  
4 wife residing in the same premises shall be presumed to  
5 be one renter.

6 (2) Except as provided in paragraph (3), the right to  
7 file a claim shall be personal to the claimant and shall not  
8 survive his death; however, when a claimant dies after  
9 having filed a timely claim, the amount thereof may be  
10 disbursed to the surviving spouse and, if no surviving  
11 spouse, to any other member of the household who is a  
12 qualified claimant. If there is no surviving spouse or  
13 otherwise qualified claimant, the claim shall be disbursed  
14 to any other member of the household. In the event two  
15 or more individuals qualify for payment as either an  
16 otherwise qualified claimant or a member of the  
17 household, they may determine which of them will be  
18 paid. If they are unable to agree, the matter shall be  
19 referred to the Franchise Tax Board and its decision shall  
20 be final.

21 (3) If, after January 1 of the property tax fiscal year for  
22 which a claim may be filed, a claimant dies without filing  
23 a timely claim, a claim on behalf of such claimant may be  
24 filed by the surviving spouse within the filing period  
25 prescribed in subdivision (a) or (b) of Section 20563.

26 (4) If an individual postponed taxes for any given  
27 property tax fiscal year under Chapter 2 (commencing  
28 with Section 20581), Chapter 3 (commencing with  
29 Section 20625), Chapter 3.3 (commencing with Section  
30 20639), or Chapter 3.5 (commencing with Section 20640),  
31 then any claim for assistance under this chapter for the  
32 same property tax fiscal year shall be filed by such  
33 individual (assuming all other eligibility requirements in  
34 this chapter are satisfied) and not an otherwise qualified  
35 member of the individual's household.

36 *SEC. 2.* Section 20543 of the Revenue and Taxation  
37 Code is amended to read:

38 20543. (a) (1) The amount of assistance for a  
39 claimant owning his or her residential dwelling shall be

1 based on claimant's household income for the period set  
2 forth in Section 20503.

3 (2) The percentage of assistance for which each  
4 claimant owning his or her residential dwelling shall be  
5 eligible shall be based on the following scale:

6		
7		The percentage of tax on
8		the first \$37,400 of full
9		value (as determined for
10	If the total household income (as defined	tax purposes) used to
11	in this part) is not more than:	provide assistance is:
12	\$3,300 .....	96%
13	3,520 .....	94
14	3,740 .....	92
15	3,960 .....	90
16	4,180 .....	88
17	4,400 .....	86
18	4,620 .....	84
19	4,840 .....	82
20	5,060 .....	80
21	5,280 .....	78
22	5,500 .....	76
23	5,720 .....	73
24	5,940 .....	69
25	6,160 .....	65
26	6,380 .....	61
27	6,600 .....	57
28	6,820 .....	53
29	7,040 .....	49
30	7,260 .....	45
31	7,480 .....	41
32	7,700 .....	37
33	7,920 .....	34
34	8,140 .....	31
35	8,360 .....	28
36	8,580 .....	25
37	8,800 .....	22
38	9,020 .....	20
39	9,240 .....	18
40	9,460 .....	16

1	9,680 .....	14
2	9,900 .....	12
3	10,450 .....	10
4	11,000 .....	8
5	11,550 .....	7
6	12,100 .....	6
7	12,650 .....	5
8	13,200 .....	4
9		

10 (b) With respect to assistance that is provided by the  
 11 Franchise Tax Board pursuant to this chapter for the 1999  
 12 calendar year, the household income figures set forth in  
 13 paragraph (2) of subdivision (a) shall be multiplied by a  
 14 factor of 2.51.

15 (c) With respect to assistance that is provided by the  
 16 Franchise Tax Board pursuant to this chapter for the 2000  
 17 calendar year and each year thereafter, the household  
 18 income figures that apply to assistance provided by the  
 19 Franchise Tax Board during that period shall be the  
 20 household income figures that applied to assistance  
 21 provided by the Franchise Tax Board in the same period  
 22 in the immediately preceding year, multiplied by an  
 23 inflation factor calculated as follows:

24 (1) On or before February 1 of each year, the  
 25 Department of Industrial Relations shall transmit to the  
 26 Franchise Tax Board the percentage change in the  
 27 California Consumer Price Index for all items from June  
 28 of the second preceding calendar year to June of the  
 29 immediately preceding calendar year.

30 (2) The Franchise Tax Board shall add 100 percent to  
 31 the percentage change figure that is furnished pursuant  
 32 to paragraph (1) and divide the result by 100.

33 (3) The Franchise Tax Board shall multiply the  
 34 immediately preceding household income figure by the  
 35 inflation adjustment factor determined in paragraph (2),  
 36 and round off the resulting product to the nearest one  
 37 dollar (\$1).

38 ~~SEC. 2.—~~

39 SEC. 3. Section 20544 of the Revenue and Taxation  
 40 Code is amended to read:

20544. (a) (1) The amount of assistance for a claimant renting his or her residence shall be based on the claimant's household income for the time period set forth in Section 20503.

(2) The percentage of assistance for which each claimant renting his or her residence shall be eligible shall be based on the following scale:

If the total household income (as defined in this part) is not more than:	The statutory property tax equivalent is:	The percentage of the statutory property tax equivalent used to provide assistance is:
\$3,300 .....	\$275 .....	96%
3,520 .....	275 .....	94
3,740 .....	275 .....	92
3,960 .....	275 .....	90
4,180 .....	275 .....	88
4,400 .....	275 .....	86
4,620 .....	275 .....	84
4,840 .....	275 .....	82
5,060 .....	275 .....	80
5,280 .....	275 .....	78
5,500 .....	275 .....	76
5,720 .....	275 .....	73
5,940 .....	275 .....	69
6,160 .....	275 .....	65
6,380 .....	275 .....	61
6,600 .....	275 .....	57
6,820 .....	275 .....	53
7,040 .....	275 .....	49
7,260 .....	275 .....	45
7,480 .....	275 .....	41
7,700 .....	275 .....	37
7,920 .....	275 .....	34
8,140 .....	275 .....	31
8,360 .....	275 .....	28
8,580 .....	275 .....	25
8,800 .....	275 .....	22
9,020 .....	275 .....	20
9,240 .....	275 .....	18

1	9,460	.....	275	.....	16
2	9,680	.....	275	.....	14
3	9,900	.....	275	.....	12
4	10,450	.....	275	.....	10
5	11,000	.....	275	.....	8
6	11,550	.....	275	.....	7
7	12,100	.....	275	.....	6
8	12,600	.....	275	.....	5
9	13,200	.....	275	.....	4

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11 (b) With respect to assistance that is provided by the  
 12 Franchise Tax Board pursuant to this chapter for the 1999  
 13 calendar year, the household income figures set forth in  
 14 paragraph (2) of subdivision (a) shall be multiplied by a  
 15 factor of 2.51.

16 (c) With respect to assistance that is provided by the  
 17 Franchise Tax Board pursuant to this chapter for the 2000  
 18 calendar year and each year thereafter, the household  
 19 income figures that apply to assistance provided by the  
 20 Franchise Tax Board during that period shall be the  
 21 household income figures that applied to assistance  
 22 provided by the Franchise Tax Board in the same period  
 23 in the immediately preceding year, multiplied by an  
 24 inflation factor calculated as follows:

25 (1) On or before February 1 of each year, the  
 26 Department of Industrial Relations shall transmit to the  
 27 Franchise Tax Board the percentage change in the  
 28 California Consumer Price Index for all items from June  
 29 of the second preceding calendar year to June of the  
 30 immediately preceding calendar year.

31 (2) The Franchise Tax Board shall add 100 percent to  
 32 the percentage change figure that is furnished pursuant  
 33 to paragraph (1) and divide the result by 100.

34 (3) The Franchise Tax Board shall multiply the  
 35 immediately preceding household income figure by the  
 36 inflation adjustment factor determined in paragraph (2),  
 37 and round off the resulting product to the nearest one  
 38 dollar (\$1).

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